

**STATE OF CALIFORNIA**  
**CALIFORNIA ENERGY COMMISSION**

**Business Meeting Minutes**

**of**

**November 20, 2002**

## Business Meeting Minutes of November 20, 2002

The meeting was called to order by Chairman William J. Keese at 10:05 a.m.

The Pledge of Allegiance was given by Commissioner Rosenfeld.

William J. Keese	Present
Robert Pernell	Absent
Arthur Rosenfeld	Present
James D. Boyd	Absent
John L. Geesman	Present
Margaret Kim, Ex-Officio	Absent

Prior to the Consent Calendar the Commissioners took a vote to add an additional Item to the agenda. Item 18, Consideration of Order Instituting Emergency Rulemaking on Appliances.

*Commissioner Rosenfeld moved and Commissioner Geesman seconded the approval to add Item 18, Consideration of Order Instituting Emergency Rulemaking on Appliances. The vote was unanimous. (3-0)*

1. CONSENT CALENDAR. (Items on the Consent Calendar will be taken up and voted on as a group. A Commissioner may request that an item be discussed and moved to later on the agenda)
  - a. MARIN COUNTY. Commission consideration and possible concurrence that Marin County's local Energy Ordinance exceeds the current Energy Efficiency requirements of Title 24, Part 6.
  - b. CALIFORNIA DEPARTMENT OF GENERAL SERVICES (DGS). Possible approval of Contract R600-02-006 for \$15,000 to reimburse the Commission for a third of the total of the working expenses (\$45,000) on the SB 1170 effort. SB 1170 directs the Energy Commission, the California Air Resources Board and DGS to develop fuel-efficiency and air pollution emission standards and recommendations governing the purchase of new state vehicles and replacement tires that will result in reduced petroleum consumption.
  - c. CALIFORNIA AIR RESOURCES BOARD (ARB). Possible approval of Contract R600-02-005 to reimburse the Commission \$15,000 for a third of the total of the working expenses (\$45,000) on the SB 1170 effort. SB 1170 directs the Energy Commission, the Department of General Services and ARB to develop fuel-efficiency and air pollution emission standards and recommendations governing the purchase of new state vehicles and replacement tires that will result in reduced petroleum consumption.

- d. METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA. Possible approval of Contract 400-00-013 Amendment 1, for the replacement of two subtasks (2.2.2. and 2.3.2) and a no-cost time extension until March 31, 2005. This contract focuses on the evaluation of new and innovative electro-technologies for salinity removal and disinfection of various source waters and their impacts on the energy requirement and cost of producing potable water.
- e. PARADISE UNIFIED SCHOOL DISTRICT. Possible approval of Contract 600-01-051 Amendment 1, for \$18,021.76 through the Lower Emission School District to cost share for a school that qualifies for the environmental justice hardship.
- f. UNIVERSITY OF CALIFORNIA, OFFICE OF THE PRESIDENT (UCOP). Possible approval of work authorization WA-001 for the management and administration of research, development and demonstration awards for the Public Interest Energy Research (PIER) Program developed under Interagency Agreement 500-02-004. The total cost for this WA is not to exceed \$250,000.
- g. UNIVERSITY OF SAN DIEGO, SCRIPPS INSTITUTE. Possible approval of work authorization WA-002 under PIER Research Agreement 500-02-004 with the University of California at San Diego/Scripps Institution of Oceanography to develop, test, and operate a new low cost and flexible environmental monitoring system. The total cost for this initial project is not to exceed \$147,000.
- h. ELECTRIC POWER RESEARCH INSTITUTE (EPRI) COLLABORATIVE. Possible approval of Contract 100-98-001 Amendment 4, for a no-cost, time extension for 15 months to complete work on projects that began in 2002.

*Commissioner Rosenfeld moved and Commissioner Geesman seconded approval of the Consent Calendar. The vote was unanimous. (3-0)*

- 2. PICO POWER PROJECT. Commission consideration of the Executive Director's Data Adequacy Recommendation for the Central Valley Energy Center Project Application for Certification. This is a 6-month, 122-megawatt power plant located in the city of Santa Clara in Santa Clara County (Docket No. 02-AFC-3).

*Commissioner Rosenfeld moved and Commissioner Geesman seconded approval of the Executive Director's Data Adequate recommendation for the Pico Power Project. The vote was unanimous. (3-0)*

- 3. PICO POWER PROJECT. Possible approval of a Committee for the Pico Power Project Application for Certification (Docket No. 02-AFC-3).

*Commissioner Rosenfeld moved and Commissioner Geesman seconded approval of Commissioner Geesman as the Presiding Member and Commissioner Rosenfeld as the second for the Pico Power Project Committee. The vote was unanimous. (3-0)*

4. LOCAL JURISDICTION ENERGY ASSISTANCE LOAN ACCOUNT. Possible approval of a loan to the county of San Mateo for \$150,000 to install a variable speed drive on the Trane Centravac chiller at the county courts building.

*Commissioner Rosenfeld moved and Commissioner Geesman seconded approval of a loan to the county of San Mateo. The vote was unanimous. (3-0)*

5. ENERGY INNOVATIONS SMALL GRANT PROGRAM. Possible approval of seven grant projects totaling \$519,436 under the Public Interest Energy Research (PIER) Program.

*Commissioner Rosenfeld moved and Commissioner Geesman seconded approval of seven grant projects under the PIER program. The vote was unanimous. (3-0)*

6. PUBLIC INTEREST ENERGY RESEARCH (PIER) PROGRAM. Consideration and possible approval of proposed revised procedures for sole and single source awards.

*Commissioner Rosenfeld moved and Commissioner Geesman seconded approval of the revised procedures for sole and single source awards for the PIER program. The vote was unanimous. (3-0)*

7. ELECTRICITY SURCHARGE RATE. Commission consideration and possible approval of the Electricity Surcharge Rate for Calendar Year 2003. Chapter 1124, Statutes of 2002, authorizes the Energy Commission to fix the electricity surcharge rate at a public meeting each November for each calendar year starting the following January.

*Commissioner Geesman moved and Commissioner Rosenfeld seconded approval to maintain the electricity surcharge rate for Calendar Year 2003. The vote was unanimous. (3-0)*

8. BEVILACQUA-KNIGHT INC. Possible approval of Contract 500-02-011 for \$414,717 to advance residential retro-commissioning.

*This item was moved to the December 11, 2002 Business Meeting.*

9. ICF ASSOCIATES, INCORPORATED. Possible approval of Contract 500-00-041 Amendment 1, to augment the contract with \$250,000 from the Consumer Education Account funds, extend the contract term to December 31, 2003 and realign the budget line items.

*This item was moved to the December 11, 2002 Business Meeting.*

10. CALIFORNIA CONSUMER FINANCE AND POWER AUTHORITY. Possible approval of a Memorandum of Understanding 400-02-004 to clearly state the intentions of both agencies to cooperate on issuing a Revenue Bond for approximately \$20 to \$30 million. The Bond will be supported from repayments from some existing Energy Commission loans that are due over the next ten years. Proceeds from the Bond will be used to augment the Energy Commissions Energy Efficiency Financing Program.

*Commissioner Geesman moved and Commissioner Rosenfeld seconded approval of MOU 400-02-004. The vote was unanimous. (3-0)*

11. NATURAL GAS SURCHARGE. On October 3, 2002, the California Public Utilities Commission (CPUC) adopted Rulemaking (R.) 02-10-001, on "the establishment of a public purpose program surcharge: pursuant to AB 1002. This legislation, effective January 1, 2001 imposes a natural gas surcharge. The CPUC proceeding will determine the amount of the surcharge, the allocation of the surcharge between programs and the administration of the programs, except for energy efficiency (EE). (EE will be addressed in the on-going EE proceeding.) Staff recommends that the Energy Commission advocate for 1) increasing the amount allocated to natural gas research & development (R&D) and 2) placing the administration of the R&D program with the Energy Commission.

*Commissioner Rosenfeld moved and Commissioner Geesman seconded approval of Intervening in the CPUC's Rulemaking (R.) 01-10-001. The vote was unanimous. (3-0)*

**PRIOR TO HEARING ITEM 18 THE COMMISSIONERS BROKE FOR A CLOSED SESSION AT 10:40 A.M. THEY RESUMED THE MEETING AT 11:43 A.M.**

18. CONSIDERATION OF ORDER INSTITUTING EMERGENCY RULEMAKING ON APPLIANCES. The Energy Commission will consider instituting an emergency rulemaking proceeding to consider changes to certain of the Commission's appliance efficiency regulations (title 20, California Code of Regulations, sections §§ 1601 - 1608) that were adopted on February 6, 2002, that are scheduled to go into effect on November 27, 2002, and that have been challenged in *Air-Conditioning and Refrigeration Institute v. Energy Resources Conservation and Development Commission*, E.D. Cal. No. CIV S 02-2437 WBS PAN.

*Commissioner Geesman moved and Commissioner Rosenfeld seconded approval of the Order Instituting Emergency Rulemaking on Appliances. The vote was unanimous. (3-0)*

12. Minutes

*Commissioner Geesman moved and Commissioner Rosenfeld seconded approval of Minutes from November 6, 2002.*

13. Commission Committee and Oversight

*No reports were given.*

14. Chief Counsel's Report

*Chief Counsel Bill Chamberlain informed the Commissioners that two pieces of litigation had been completed. The Sunrise decision was voluntarily dismissed and Blythe, the legal office filed a demur and the Court of Appeals sustained all our motions.*

15. Executive Director's Report

*No report was given.*

16. Public Adviser's Report

*No report was given.*

17. Public Comment

*No public comments were received.*

The meeting was adjourned at 10:45 a.m.

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BETTY A. McCANN  
Secretary to the Commission